Remarks

The Office Action mailed December 13, 2007 has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-26, 34, 36-43, and 57 are pending in this application. Claims 1-26, 34, 36-43, and 57 stand rejected.

The Examiner does not appear to have considered all the language of the claims in connection with the present rejections. Applicants do not believe that the Office can selectively pick and choose from the language of the claims in the manner stated in the Response to Arguments section of the Office Action, but nonetheless amended Claim 13 to recite "[a] network connecting said at least one client system to said server system, wherein said server system is *programmed* to...." rather than "configured to" as previously claimed in an effort to more clearly recite the invention for the examiner. Also, Claim 44 has been cancelled in the prior amendment. However, the present Office Action has rejected the cancelled Claim 44 under Section 101 as being directed to non-statutory subject matter. Moreover, in the Response to Arguments section, the Examiner has referred to cancelled Claim 44 to recite "data corresponding to automatically segmenting". Accordingly, the Examiner is requested to clarify the basis of rejection with respect the language of the pending claims.

The rejection of Claims 1, 13, 34, 44, and 57 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is respectfully traversed.

The Office Action asserts at page 2 that Claims 1, 13, 34, 44 and 57 are directed "to non-statutory subject matter." The Office Action further asserts that these claims are "directed to an algorithm" and that the steps "generating, determining and exporting...are mere ideas in the abstract...as they do not produce a useful, concrete and tangible result." Applicants respectfully traverse these assertions.

As stated in response to the prior Office Action dated 13 December, 2007, and in response to the present Office Action with respect to Claim 1, Applicants submit that the claims

of the present patent application are directed to practical applications in the technological arts. "Any sequence of operational steps can constitute a process within the meaning of the Patent Act so long as it is part of the technological arts." In re Musgrave, 431 F.2d 882 (C.C.P.A. 1970). For example, independent Claim 1 is a method for analyzing a deal that includes portfolios of distressed financial assets including loans or other financial instruments, using a network-based system including a server system coupled to a centralized database and at least one client system. Applicants submit that the process of analyzing a deal that includes portfolios of distressed financial assets including loans and other financial instruments is considered useful and within "the technological arts ".

Applicants further traverse the assertion included in the Office Action that Claims 1, 13, 34, 44 and 57 are directed to non-statutory subject matter under Section 101 in light of the "Examination Guidelines for Computer-Related Inventions". The Examination Guidelines for Computer-Related Inventions provides in relevant part as follows:

> In order to determine whether the claim is limited to a practical application of an abstract idea, Office personnel must analyze the claim as a whole, in light of the specification, to understand what subject matter is being manipulated and how it is being manipulated. During this procedure, Office personnel must evaluate any statements of intended use or field of use, any data gathering step and any post-manipulation activity....Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under § 101. Further, when such a rejection is made, Office personnel must expressly state how the language of the claims has been interpreted to support the rejection.

Applicants respectfully submit that Claim 1 is limited to a practical application in "the technological arts". Furthermore, Applicants respectfully submit that the Office Action does not expressly state how the language of Claim 1 supports the Section 101 rejection. The examiner is requested to explicitly state and justify how the language of Claim 1 supports the Section 101 rejection.

Claim 1 recites a "method for analyzing a deal that includes portfolios of distressed financial assets including loans or other financial instruments". Thus, Applicants submit that Claim 1 is directed to a useful process that is considered to be within "the technological arts".

Furthermore, Claim 1 recites a "method for analyzing a deal that includes portfolios of distressed financial assets including loans or other financial instruments, using a network-based system including a server system coupled to a centralized database and at least one client system". The method includes "generating a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolios, *the server system generates the cash flow data table*...automatically segmenting cash flow data by potential asset disposition types *by using the server system to apply the cash flow model*, each asset having a potential asset disposition type assigned thereto...determining a cash flow timing and an expense timing for each asset included within the portfolios based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model and the server *system*...performing sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses, *the server system uses the Simulation Model to generate a probabilistic distribution of a possible value of the deal including risk associated with uncertainty of future events....*" (Emphasis added). Thus, Claim 1 uses a server system and/or a client system to perform certain steps of the process. Claim 1 is therefore directed to a practical application in the technological arts.

For at least the reasons set forth above, Claim 1 is submitted to be directed to a practical application in the technological arts. Accordingly, Applicants respectfully submit that Claim 1 satisfies the requirements of Section 101.

Applicants also traverse that assertion that Claims 13, 34 and 57 are merely directed to abstract ideas and do not produce a useful, concrete and tangible result. For example, Claim 13 is directed to a system for managing portfolio cash valuation for analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, wherein the system includes "at least one client system...at least one server system coupled to a database for storing data...and a network connecting said at least one client system to said server system, wherein said server system is programmed to...export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks."

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In other words, Claim 13 is directed to a system that includes at least one client system, at least one server system coupled to a database, and a network connecting the client system and the server together, wherein the server is configured to, among other things, export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. Clearly, the computer system recited in Claim 13 is not an abstract idea, said computer system does produce a useful, concrete and tangible result, and said computer system is clearly "within the technological arts".

With respect to Claim 34, Claim 34 recites a "computer program embodied on a computer readable medium for analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, said computer program capable of being processed by a server system coupled to a centralized interactive database and at least one client system, said computer program comprising...a code segment that receives information from various data sources...a code segment that exports cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks."

In other words, Claim 34 is directed to a computer program embodied on a computer readable medium. The computer program is capable of being processed by a server system coupled to a centralized interactive database and at least one client system. The computer program comprises, among other things, a code segment that receives information from various data sources and a code segment that exports cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. Clearly, the computer program recited in Claim 34 is not an abstract idea, computer program does produce a useful, concrete and tangible result and said computer program is clearly "within the technological arts".

Claim 44 was cancelled in the prior amendment filed in response to the Office Action dated June 1, 2007.

Claim 57 recites a "computer for analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, the computer coupled to a

database, said computer programmed to ...generate a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolio...export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks."

In other words, Claim 57 is directed to a computer for analyzing a deal. The computer is coupled to a database. The computer is programmed to, among other things, generate a cash flow data table from various data sources, and export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. Clearly, the computer recited in Claim 57 is not an abstract idea, and said computer does produce a useful, concrete and tangible result.

For at least the reasons set forth above, Claims 13, 34 and 57 are submitted to be directed to a practical application in the technological arts. Accordingly, Applicants respectfully submit that Claims 13, 34 and 57 satisfy the requirements of Section 101.

For at least the reasons set forth above, Applicants respectfully request that the Section 101 rejection of Claims 1, 13, 34, 44 and 57 be withdrawn.

The rejection of Claims 1-26, 34, 36-43, and 57 under 35 U.S.C. § 103(a) as being unpatentable over Johnson et al. (U.S. Patent No. 6,985,881) ("hereinafter referred to as Johnson") in view of Dingman et al. (U.S. Publication No. 2002/0052766) ("hereinafter referred to as Dingman") is respectfully traversed.

Applicants respectfully submit that under the § 103(c) exception, Johnson and Dingman are unavailable as prior art references to reject Claims 1-26, 34, 36-43, and 57 under § 103(a) because Johnson and Dingman are only available as prior art under 35 U.S.C § 102(e). MPEP § 706.02(l)(2) states:

> [i]n order to be disqualified as prior art under 35 U.S.C. 103(c), the subject matter which would otherwise be prior art to the claimed invention and the claimed invention must be commonly owned, or subject to an obligation of assignment to a same person, at the time

the claimed invention was made or be subject to a joint research agreement at the time the invention was made.
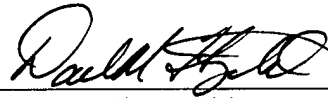
The present application was filed May 31, 2001. Because the May 31, 2001 filing date of the present application is after Johnson's December 14, 2000 filing date and prior to Johnson's May 2, 2002 publication date, Johnson is available as prior art under 102(e). Moreover because the May 31, 2001 filing date of the present application is after Dingman's December 19, 2000 filing date and prior to Dingman's May 2, 2002 publication date, Dingman is available as prior art under 102(e).

The claimed subject matter in the present application and Johnson and Dingman were, at the time of invention commonly owned by General Electric Company of Schenectady, New York, (hereinafter "GE") and/or subject to an obligation of assignment to GE. Common ownership of both the present application and Johnson and Dingman are evidenced, for example, by a recordation of an Assignment of Application No. 09/871,341, the present application, to GE at Reel/Frame 018131/0658, by a recordation of an Assignment of Application No. 09/737,035, Johnson, to GE at Reel/Frame 018224/0183, and by a recordation of an Assignment of Application No. 09/741,211, Dingman, to GE at Reel/Frame 018223/0828. Because Johnson and Dingman, and the claimed subject matter of the present application were "commonly owned, or subject to an obligation of assignment to a same person, at the time the claimed invention was made," Johnson and Dingman are excluded as prior art under 103(c). As such, Johnson and Dingman are only available as prior art under Section 102(e), and not under Section 103.

For at least the reasons set forth above, Applicant respectfully requests that the Section 103 rejection of Claims 1-26, 34, 36-43, and 57 be withdrawn.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,

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